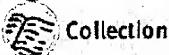
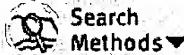
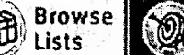


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Custom-made greetings

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Ambassador Cards

Abstract:

By sharing information and working together with retailers in the areas of micromarketing and technology, greeting card vendors now have the power to create and merchandise the optimum greeting card department that can be unique to a particular region, retailer, or even an individual store. Differentiation, innovation, and flexibility are all key factors. Meg Townsend of Ambassador says that when she asks her retailers what they want from the vendor, they typically say that they want their display to stand out from the competition's and to flexibly suit their particular store.

①American Greetings' confidence comes partly from its recently expanded micromarketing program, Street Smart II. Randy Mason of ①American Greetings says that Street Smart looks at demographics and tailors the product mix to meet individual retail needs. For example, when Street Smart II gives a trade radius of a particular store, it is not the typical 5-mile circle, but instead, a radius defined by bridges, rivers, and more. It is a much truer means of determining who the customers are for a particular store.

Full Text:

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They sound like endearments taken right from a greeting card: "special," "unique," "one-of-a-kind," "ever-changing." They are also appropriate descriptions for today's greeting card departments, as told by both vendors and retailers.

By sharing information and working together with retailers in the areas of micromarketing and technology, vendors now have the power to create and merchandise the "optimum" greeting card department that can be

unique to a particular region, retailer, or even an individual store. Differentiation, innovation, and flexibility are all key factors.

"Everyone in the marketplace is catching on to store differentiation," explains Meg Townsend, Ambassador's public affairs and communications manager. "Along with that comes micromarketing and customizing the department. When we ask our retailers what they want from our programs they typically say, 'something that lets my store stand out from the other guys,' and 'a program that's flexible so that I can make it work for my particular store.' So our aim is to offer the retailer both differentiation and flexibility. We realize that no two stores' needs are exactly the same."

"The ability to maximize sales in greeting card departments is greater than it ever was before, both from a retail and vendor point of view," believes Tom Tisdale, senior vice president of marketing and sales for Sangamon. "Our major customers are providing us with sales information that is barely one week old for each of their stores and for all of our products. Then it's our responsibility to analyze those sales to determine perhaps what product lines should be expanded, contracted, or eliminated, and also where there may be an opportunity to sell more product in a given region, city, or store. It's a highly customized process."

"Part of the key to selling greeting cards today is not guessing that it will do well, but knowing through research and micromarketing that once it arrives at the store, it will sell," offers Randy Mason, ①American Greetings' senior vice president/general sales manager. "A good vendor will gain that type of reputation from its retail partners, and a good retailer will put his confidence in those vendor partners."

①American Greetings' confidence comes partly from its recently expanded micromarketing program, Street Smart II, which is a more sophisticated version of its original Street Smart plan. "Basically, Street Smart looks at demographics and tailors our product mix to meet individual retail needs," explains Mason.

With Street Smart II, ①American Greetings signed an exclusive agreement with Market Metrics, a company that specializes in demographic information. "It's the most sophisticated system out there," claims Mason. "For instance, when Street Smart II gives a trade radius of a particular store, it's not the typical five-mile circle, but instead, a radius defined by bridges, rivers, and more. It's a much truer means of determining who the customers are for a particular store."

①American Greetings will use Street Smart II to not only tailor a store's product mix, but also tailor the potential size of the greeting card department, including total department size, as well as breakdowns of alternative and traditional card space.

Sangamon, too, is making advances in micromarketing programs. The company first instituted Map Plus to meet the needs of different lifestyles and ethnic groups. Now it's "completing the loop," enabling a more in-depth store evaluation. "The measurement of our success in a store now has to do with being able to offer just the right mix and achieve maximum sales in that location, while at the same time maintaining as low an inventory as possible," maintains Tisdale. "That is more important today than it ever was before."

A SCIENCE OF SENTIMENTS

According to Tisdale, the whole process is "getting a lot more scientific. We combine the demographic studies with an electronic ordering system that allows us to place orders for an individual store when card pockets are at their lowest point, restocking product before they ever go out of stock. We're able to read results more quickly, and therefore, respond more quickly to the market on a very individualized basis."

And that's what all greeting card programs strive for--the ultimate in customization. Ambassador takes an individualized approach to promotion with its in-store seasonal and everyday marketing program, Retail Promotions 365. While targeted to promotions instead of products, the goal is still a familiar one--"to help retailers pick the right promotions for the right times in their stores."

Retail Promotions 365 is an extension of Ambassador's Season Plus program, but "with a much more individualized approach," Townsend maintains. "Also, it doesn't just focus on the holidays, it's a year-round plan, hence the number, 365." The program features more than 80 promotions, highlighting peak seasons and everyday time periods, department signing, product enhancements, and a Quick Response inventory service.

Perhaps the latest innovation in micromarketing and customization can be found in product. ①American Greetings' CreataCard enables consumers to completely design and personalize their own greeting cards in-store. With CreataCard, customers have full control of the card's design; after making card selections through touch-screen technology, they then can watch it being drawn.

"This is state-of-the-art micromarketing," says Mason. "Knowing the demographics of a particular store, we can put together a personalized CreataCard unit just for that retailer." For example, ①American Greetings can download Spanish verse into CreataCard for stores with Spanish-speaking customers. Other possibilities are endless.

In four feet of space, CreataCard holds 1,000 card designs. According to Mason, "The beauty of it is there is no inventory!" Retailers also appreciate the fact that ①American Greetings offers the units at no cost. So just how is it being received? "We have more requests than we have machines," Mason simply states.

Presently, there are about 3,000 CreataCard units in the marketplace. "We're beyond testing with individual retailers," Mason reports. "We're now in full-scale rollout." Still, ①American Greetings is controlling that rollout.

"We look very carefully at store demographics," Mason says. "We want to put CreataCard in areas that tend to be more computer literate--typically, suburban areas or downtown locations that are near office buildings. In general, we look at a store's potential before we place the machine. So, CreataCard probably won't be in all stores of any one chain, but rather in selected stores of most chains."

Later this year, the industry will be getting even more units when Ambassador rolls out Touch-Screen Greetings, its version of an in-store kiosk that creates personalized greeting cards while the customer waits.

WHAT'S THE ALTERNATIVE?

Personalized greeting card kiosks can also enhance a retailer's alternative card lines. "Because it's important to produce alternatives that are current and up-to-the-minute, these machines can be a real asset," believes Mason. "If there's an issue or joke that you want to tie an alternative card line to, you have to come out with it almost immediately: you can't be out six months or a year later. Likewise, you have to pull it out quickly. Retailers should consider that with CreataCard, they can virtually put out alternative cards overnight."

Alternative cards are indeed an important part of the whole mix. "They're continuing to grow, and we don't look for any short-term reduction in that growth," maintains Tisdale. Sangamon believes in "simple, straightforward verse and simple art work," in its alternative lines, offering Starry Night Press, a broad-based humorous line, and Lessons of the Heart, an alternative line with an inspirational orientation.

According to ①American Greetings, alternative cards provide a more contemporary approach to traditional card sending situations (holidays, birthdays, anniversaries, etc.) as well as conversational and humorous cards for non-occasion sending. In order to remain fresh, the company's alternative lines are updated more frequently with a "just-in-time creative approach." Take, for example, their political cards introduced last fall, just in time for the election. These cards poked fun at all presidential candidates and were well-received "timely gems."

Available at retail in July, ①American Greetings' newest alternative card line--The Pet Shop--features contemporary and humorous versing that plays off the high-gloss, very expressive, and sometimes outrageous, pet photos. The line includes pet designs for traditional occasions, as well as cards specific to pet owner situations, such as congratulations to new pet owners, thank-you cards for pet sitters, and sympathy on the loss of a pet. The envelopes feature the line's signature paw print design.

According to a company spokesperson, Sara Eames. "As with all of our products, the line was highly rated in retail tests. We expect success, since our research indicates that photo pet subject matter consistently rates well and creates strong impulse and incremental sales results."

Ambassador also tests its alternative card lines, as well as other products, through its newly created Retail Test Network. "In the past we've always tested our products, but they were through focus groups or panel testing," explains Townsend. "With Retail Test Network we are actually testing lines in-store. It allows us to have a card

line that goes from concept to launch in six months. It can reflect more current trends and is a much quicker process of line creation. It's a great feeling to offer retailers products that we already know will sell."

Two of Ambassador's alternative card lines that tested well and are now out in full-scale are Singles, aimed at consumers who many later in life, as well as those who have been divorced, and Best of Family, targeted to baby boomers with young children.

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